Function: Process Purchase Orders

OBJECTIVE:

To process Purchase Orders on the MFASIS Accounting System.

SOURCE DOCUMENTS NEEDED:

- For commodities or services, complete a Purchase Order Form. For Purchase Orders with split account coding, an Accounting Distribution Sheet must also be included.
- For grants and contracts which are to be encumbered complete the Purchase Order Form. For multiple account codes, once again, complete an Accounting Distribution Sheet.
- For Purchase Orders to be created from Requisitions, no Purchase Order source document is required. The purchase requisition is the source document.

PROCEDURES:

See User Procedure Section

SYSTEM INPUT:

See System Input Section

SCREENS TO BE USED:

- Purchase Order (PO)

Function: Process Purchase Orders

NARRATIVE

The Bureau of Purchases (BOP) will use the Purchase Order (PO) transaction to encumber purchase orders for goods/commodities and contracts for services. BOP will prepare the Purchase Order (physical document) and enter the encumbrance onto the MFASIS Accounting System.

In the process of creating Purchase Orders, the Bureau of Purchases will review requisitions, determine the appropriate vendor, and when appropriate consolidate requisitions within an agency.

The following flow of transactions are possible:

RQ > PO > PV

Use this string of transactions to pre-encumber funds, encumber funds, and to pay for goods and services. This option should only be used for confirming requisitions, Contract releases, and commodity purchases not qualifying for open market purchases.

PO > PV

Use this string of transactions to encumber funds and pay for goods and services. This option should be used for contracts, grants, and purchase orders prepared without an accompanying requisition.

ACCOUNTING ACTIVITIES

When there is no prior requisition referenced, the Purchase Order Transaction will debit Encumbrances and Credit Reserves for Encumbrances in the General Ledger. When a prior purchase requisition is referenced, the Purchase Order will Debit Encumbrances, and Credit Reserves for Encumbrances. It will also Debit Reserve for Pre-encumbrance and Credit Pre-encumbrances.

The Purchase Order function will record the encumbrance against the allotment coded on the purchase order transaction.

On all encumbered items, when the final payment is executed, if there is a balance remaining on the Purchase Order, the balance will remain in the quarter in which the Purchase Order is being liquidated.

Function: Process Purchase Orders

FORMS

A. **PURCHASE ORDER FORM**

B. **OPEN MARKET PURCHASE ORDER FORM**

C. **ACCOUNTING DISTRIBUTION SHEET**

Function: Process Purchase Orders

USER PROCEDURES

BOP AND BAC ONLY

A. PURCHASE ORDER BASED ON A PURCHASE REQUISITION

FREQUENCY TRIGGER	RESPONSIBLE UNIT/EMPLOYEE	PROCEDURES
1. Receipt of RQ accepted on MFASIS system.	BOP Buyers	Create hard copy of purchase order. Access the MFASIS accounting system and enter the PO data into the system, using the PO form as a reference. See the SYSTEM INPUT SECTION for data entry instructions.
	BOP supervisor	Approve PO transaction on the system and schedule it for off-line processing. Notify agency of rejected PO for correction.
2. Acceptance of PO transaction by the MFASIS system.	BOP	Forward white copy to the vendor. Forward pink and gold copy to agency. Forward a yellow copy to the Bureau of Accounts and Control.
3. Receipt of all approved and accepted PO documents.	Bureau of Accounts and Control	Post-audit the purchase order. File approved purchase order. Return purchase orders with coding errors to the Bureau of Purchases for correction.

ON-LINE AND OFF-LINE AGENCIES

B. PURCHASE ORDER BASED ON A CONTRACT REQUIRING CRC APPROVAL

FREQUENCY TRIGGER	RESPONSIBLE UNIT/EMPLOYEE	PROCEDURES
1. Agency negotiates new contracts	Agency	Prepare a contract.

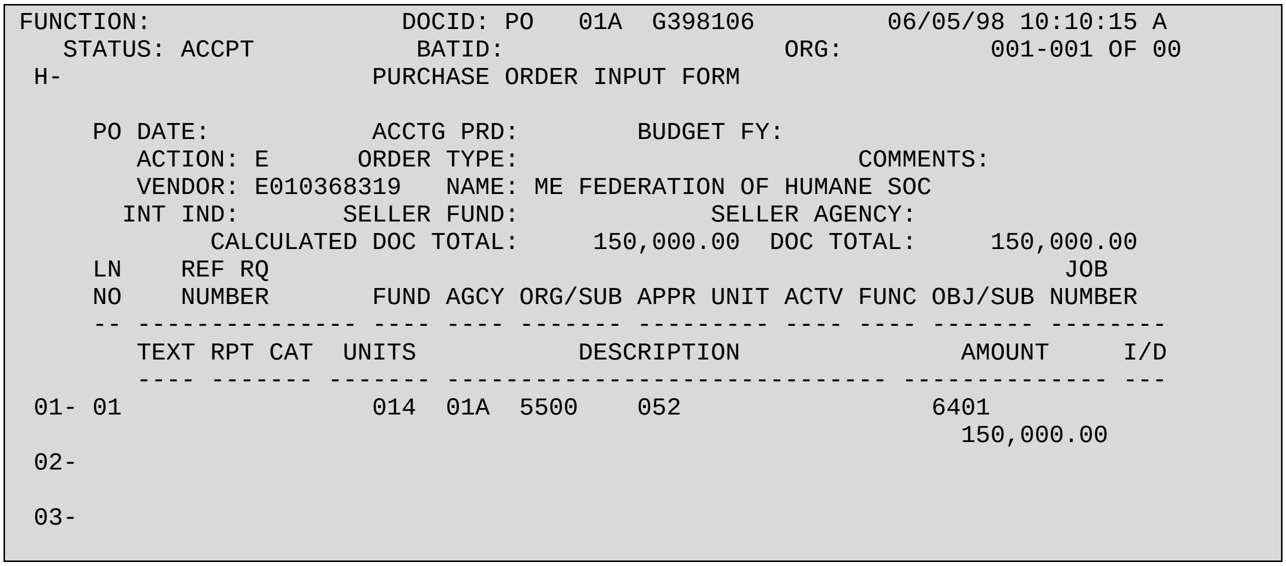
FREQUENCY TRIGGER	RESPONSIBLE UNIT/EMPLOYEE	PROCEDURES
		Complete accounting distribution sheet for split coded contracts. Submit the contract to the Contract Review Committee for approval.
2. Receipt of completed contract	BOP (CRC staff)	Review and approve contracts.
	BOP	Access the MFASIS accounting system and enter the PO data into the system using the contract form as a reference. See the SYSTEM INPUT SECTION for data entry instructions. Forward approved contracts to the Bureau of Accounts and Control for approval. Return unapproved contracts to agencies.
3. Receipt of CRC approval contract	BAC (accounting unit)	Review and approve contracts. Forward approved contracts to BOP to file and distribute to agencies. Return unapproved contracts to BOP who documents the return and takes appropriate action.

C. PURCHASE ORDER BASED ON A CONTRACT NOT REQUIRING CRC APPROVAL

FREQUENCY TRIGGER	RESPONSIBLE UNIT/EMPLOYEE	PROCEDURES
1. Agency negotiates a renewal or new contract	Agency	Prepare a contract document. Complete an accounting distribution sheet for split coded account codes. Submit the contract document (and an

FREQUENCY TRIGGER	RESPONSIBLE UNIT/EMPLOYEE	PROCEDURES
		accounting distribution sheet if necessary) to BOP.
2. Receipt of fully approved contract	BOP	Access the MFASIS accounting system and enter the PO data into the system, using the contract form as a reference. See the SYSTEM INPUT SECTION for data entry instructions. Approve the PO transaction on the system. Return unacceptable contracts to the agency. Forward contracts to BAC for review and approval.
3. Receipt of completed contract	BAC (accounting unit)	Review and approve the contract. Return to BOP for filing and distribution.
4. Acceptance of PO transaction by MFASIS	BOP	Forward the approved original and a copy of the encumbered contracts to the agency.

PURCHASE ORDER (PO)



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FUNCTION:                 DOCID: PO   01A  G398106         06/05/98 10:10:15 A
   STATUS: ACCPT           BATID:                   ORG:          001-001 OF 00
 H-                     PURCHASE ORDER INPUT FORM

     PO DATE:           ACCTG PRD:        BUDGET FY:
        ACTION: E      ORDER TYPE:                       COMMENTS:
        VENDOR: E010368319   NAME: ME FEDERATION OF HUMANE SOC
       INT IND:       SELLER FUND:             SELLER AGENCY:
             CALCULATED DOC TOTAL:     150,000.00  DOC TOTAL:     150,000.00
     LN    REF RQ                                                      JOB
     NO    NUMBER       FUND AGCY ORG/SUB APPR UNIT ACTV FUNC OBJ/SUB NUMBER
     -- --------------- ---- ---- ------- --------- ---- ---- ------- --------
        TEXT RPT CAT  UNITS           DESCRIPTION               AMOUNT     I/D
        ---- ------- ------- ----------------------------- ------------- ---
 01- 01                 014  01A  5500    052                 6401
                                                                150,000.00
 02-

 03-
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A Purchase Order (PO) records the ordering of goods or services and encumbers the funds necessary to pay for the order.

Field	**Description**
Date of Record	Default is the date the system accepts the document. Enter the date (*mm dd yy*) that you want to associate with these documents, usually the current date. Do not enter a future date.
Accounting Period	Default is inferred from **Date of Record**. If you want these transactions recorded in another accounting period, enter the desired open period, using fiscal month and fiscal year. The only future period you can use is the first period of the future year.
Budget FY	Default is the current fiscal year. If you want these transactions recorded in some other fiscal year, enter the desired open fiscal year. You cannot enter future budget fiscal years.
New/ Modification [Action]	Default is ***New [E]***. Valid values are: ***New [E]*** Identifies this as a new entry (new document). ***Modification [M]***

Field	**Description**
	This lets you add lines to a previous document, change the amounts of existing lines (not codes), or cancel a line (decrease a line amount to zero). To change codes in an existing line, you must cancel that line and reenter a new line. You can record both these lines on the same document by entering ***Modification [M]***.
Order Type	Optional. You can enter any one-character alphanumeric value to define various types of purchase order documents. (For example, contract, sub-contract, work order, service order.)
Comments	Optional. Used for informational purposes only. Enter a descriptive note about this document.
Vendor Code	Conditional. Required if **Vendor/Commodity Control** on System Control Options (SOPT) is ***Both Controls in Effect [Y]***. Enter the vendor who sells the items on this purchase order. See Vendor Index (VEND) for valid values. Do not enter a vendor for internal purchase orders.
Name	Conditional. Required if **Vendor Code** is blank or if you used a miscellaneous vendor code. Enter the name of the vendor. (The name entered does not override the information on Vendor (VEN2). You cannot enter a vendor name for internal purchase orders. Otherwise, this field is optional.
Internal Order	Default is cleared [***N***]. Select [***Y***] if this document concerns a transfer of goods/services between two entities.
Seller Fund	Conditional. Required if **Internal Order** is selected [***Y***]. Enter the fund that you want credited as a result of this sale. See Fund Index (FUND) for valid values.
Seller Agency	Conditional. Required if **Internal Order** is selected [***Y***]. Enter the agency selling the goods/services listed on this document. See Agency Index (AGCY) and Fund Agency Index (FAGY) for valid values.
Calculated Total	The system-computed total of the line amounts is displayed.
Document Total	Required. Enter the unsigned net amount of all lines on the document. To compute this amount: 1. Add all the increase amounts. 2. Add all the decrease amounts. 3. Subtract the smaller of these amounts from the larger, and enter that amount.

Field	Description
LINE INFORMATION	
Line	Required. Enter a different two-digit number for each line on the document. Numbers ***00*** to ***99*** are valid. This number is used later for either a payment voucher or manual warrant to reference this purchase order line.
Reference Requisition	Conditional. Required if this purchase order concerns items previously recorded on a requisition. Enter the transaction code and requisition number of the document being referenced.
Fund	Required. Default is inferred from Organization (ORG2) based on the agency and organization entered on this document. Otherwise enter a valid fund from Fund Index (FUND).
Agency	Conditional. Required on a new document. Enter the agency purchasing the item named on this line. See Agency Index (AGCY) and Fund Agency Index (FAGY) for valid values.
Org	Conditional. Required on a new document. Required if **Expense Budget Organization Option** on Fund Agency Index (FAGY) is ***Y*** (required on budget and accounting) or ***A*** (required on accounting). Otherwise, it is used for reporting purposes only. On a modification document, this field is optional. If entered, it must match the original document. Enter the organization purchasing the item named on this line. See Organization Index (ORGN) for valid values.
Sub-Org	You must enter an organization before you can enter a sub-organization. **Sub-Organization** is required if **Sub-Organization Required on Spending** on Organization (ORG2) is ***Required [Y]*** or ***Required on Encumbrance Transactions [2]***. Otherwise, an entry is optional. See Sub-Organization (SORG) for valid values.
Appropriation Unit	Required if the **Appropriation Control Option** on Fund Index (FUND) is ***C*** (full control) or ***P*** (presence control). Enter the appropriation unit which will be charged for the items in this accounting line. Refer to Appropriation Index (EAPP) for valid values. If you are changing existing lines, this code must match the previously assigned appropriation unit code.
Activity	Default is inferred from Organization (ORG2). Required if **Expense Budget Activity Option** on Fund Agency Index (FAGY) is ***Y*** (required on budget and accounting) or

	A (required on accounting).
Field	**Description**
	Values on documents override values on Organization (ORG2). Enter the activity related to this purchase order.
Function	Conditional. Required if **Expense Budget Function Option** on Fund Agency Index (FAGY) is ***Y*** (required on budget and accounting) or ***A*** (required on accounting). Default is inferred from Organization (ORG2); or Activity (ACT2), if a function is not entered on Organization (ORG2). See Function (FUNC) for valid values.
Object	Conditional. Required on a new document. Enter the object that best describes the item named on this line. Do not enter a personal services object.
Sub-Object	Sub-object is required on an expenditure document if **Object** is entered and **Sub-Object Required** is selected [***Y***] on Expense Budget Inquiry (EXP2) or Expense Budget Inquiry (EEX2). Otherwise, this field is optional. See Sub-Object (SOBJ) for valid values.
Job Number	Conditional. Required if **Job Number Required on Spending** on Organization (ORG2) is: ***Required on Encumbrance Transactions [2]***, or ***Required if Job Number is Required on Activity [A]***. On a modification document, this field is optional. If entered, it must match the original document. You can enter a project number if you use project accounting. If you do not use project accounting, you can enter a general reporting category.
Text Exists	Default is cleared [***blank***]. If the checkbox is selected ***[Y]***, text exists for this line.
Reporting Category	Conditional. Required if **Reporting Category** on Agency (AGC2) is ***Required on Encumbrance Transactions [2]***. Otherwise, it is optional. See Reporting Category (RPTG) or Federal Aid Inference (FAIT) for valid values. If reporting category on the referenced requisition line is blank, you can add it here.
Units	Optional. Enter the quantity of items being purchased. Seven digits are stored with two decimal places assumed; for example, 50 boxes of paper is entered as 5000. This is a memo type entry only, and is not used during processing.
Description	Default carries over a description from the referenced document if a previous document is referenced. Enter up to 30 characters of notes about this line.

Amount	Required. If this is a new line, enter the dollar amount of the item(s) described on this line.
Field	**Description**
	If this line is a modification of a previous line, enter the amount of the change over (under) the previous amount. Enter two digits for cents; the decimal point is optional.
Inc/Dec	Default is ***Default [blank]***. If you are making an adjustment, valid values are ***Decrease [D]*** or ***Increase [I]***.